



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

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"To Enrich Lives Through Effective And Caring Service"

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October 08, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

25 October 8, 2013

A handwritten signature in cursive script, reading "Sacha A. Hamai".

SACHI A. HAMAI
EXECUTIVE OFFICER

**JOINT RESOLUTION BETWEEN THE CITY OF COVINA AND THE COUNTY OF LOS ANGELES
APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUE
RESULTING FROM THE ANNEXATION OF UNINCORPORATED TERRITORY TO THE CITY OF
COVINA (ANNEXATION 2013-05) (FIFTH DISTRICT) (3 VOTES)**

SUBJECT

Adoption of the Joint Resolution for the annexation of unincorporated territory to the City of Covina.

IT IS RECOMMENDED THAT THE BOARD:

Adopt the Joint Resolution between the Board and the City Council of the City of Covina based on the negotiated exchange of property tax revenue, as a result of the proposed Annexation 2013-05 of approximately 0.07 acres of unincorporated territory to the City of Covina.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The City Council of the City of Covina has adopted the attached Joint Resolution based on the negotiated exchange of property tax revenue resulting from the proposed annexation of unincorporated territory to the City of Covina. The territory consists of approximately 0.07 acres generally located west of North Citrus Avenue, between Covina Boulevard and Cypress Avenue.

In order for the Local Agency Formation Commission for the County of Los Angeles (LAFCO) to proceed with the required hearings on the proposed annexation, the Board, as the governing body of the County, must first adopt the Joint Resolution.

FISCAL IMPACT/FINANCING

The adopted Joint Resolution will transfer annually Seventy-Seven Dollars (\$77) in base property tax revenue from the County General Fund to the City, and will allocate a share – approximately 11.27 percent of the annual property tax increment in Tax Rate Area 12033 – from the County to the City, as contained in the Joint Resolution. An adjustment will be made to the County budget in the fiscal year following the filing of the statement of boundary change for Annexation 2013-05 with the California State Board of Equalization.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Part 3, Title 5 of the California Government Code, commencing with Section 56000, the City of Covina adopted a resolution and filed an application with LAFCO to initiate proceedings for annexation of the subject territory to the City.

Section 99 of the California Revenue and Taxation Code (R & T Code) requires that prior to the effective date of any jurisdictional change, the governing bodies of all agencies whose service area or service responsibilities will be altered by such change must address the fiscal impacts of the proposed annexation by negotiating a reallocation of property tax revenue between the affected agencies, and approve and accept such reallocation by resolution. The City Council of the City of Covina has adopted the negotiated Joint Resolution, as required by Section 99 of the R & T Code.

The proposed territory to be annexed to the City of Covina is currently within the County of Los Angeles Road Maintenance District No. 5 (RMD No. 5), and the County Public Library system. Upon annexation of the territory to the City, the territory will be detached from County RMD No. 5 and withdrawn from the County Public Library.

Adoption of the Joint Resolution by the Board will allow LAFCO to schedule the required public hearings to consider testimony on the proposed annexation. LAFCO will subsequently take action to approve, approve with changes, or disapprove the proposal for the annexation.

The Joint Resolution has been adopted by the City of Covina and has been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

The proposed project is not a project pursuant to the California Environmental Quality Act (CEQA) because it is an activity that is excluded from the definition of a project by Section 15378(b) of the State CEQA Guidelines. This proposed action is the creation of a government funding mechanism, a fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Upon the effective date of the annexation, the City will become responsible for providing municipal services to the area within its jurisdiction.

CONCLUSION

At such time as the recommendation is approved by the Board, please return one copy of the letter and four signed originals of the Resolution to LAFCO, one approved copy of the letter and a copy of

The Honorable Board of Supervisors

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the Resolution to the Chief Executive Office, Office of Unincorporated Area Services, and one approved copy of the letter and a copy of the Resolution to the Auditor-Controller, Tax Division.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "W. T. Fujioka", followed by a small "for" written below it.

WILLIAM T FUJIOKA

Chief Executive Officer

WTF:RLR

DSP:JST:acn

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Assessor
Auditor-Controller
Public Library
Public Works

**JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF LOS ANGELES AND THE CITY COUNCIL OF THE CITY OF COVINA,
APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX
REVENUE RESULTING FROM THE ANNEXATION OF TERRITORY KNOWN AS
ANNEXATION 2013-05 TO THE CITY OF COVINA, DETACHMENT FROM
COUNTY ROAD DISTRICT NO. 5, AND WITHDRAWAL FROM
THE COUNTY PUBLIC LIBRARY SYSTEM**

WHEREAS, the City of Covina initiated proceedings with the Local Agency Formation Commission (LAFCO) for the County of Los Angeles for the annexation of territory identified as Annexation 2013-05 to the City of Covina; and

WHEREAS, pursuant to Section 99 of the California Revenue and Taxation Code, for specified jurisdictional changes, the governing bodies of affected agencies shall negotiate and determine the amount of property tax revenue to be exchanged between the affected agencies; and

WHEREAS, the area proposed for annexation is identified as Annexation 2013-05 and consists of approximately 0.07 acres of unincorporated territory generally located west of North Citrus Avenue between Covina Boulevard and Cypress Avenue; and

WHEREAS, the Board of Supervisors of the County of Los Angeles, as governing body of the County, and the County of Los Angeles Road District No. 5, the County Public Library, and the City Council of the City of Covina, have determined the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation of the unincorporated territory identified as Annexation 2013-05, detachment from County Road District No. 5, and withdrawal from the County Public Library system, is as set forth below:

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenue between the County of Los Angeles and the City of Covina, resulting from Annexation 2013-05 is approved and accepted.

2. For the fiscal year commencing in the year after the filing of the statement of boundary change for Annexation 2013-05 with the Board of Equalization pursuant to Government Code sections 54902 and 57204, and every fiscal year thereafter, property tax revenue received by County Road District No. 5, attributable to Annexation 2013-05 shall be transferred to the County of Los Angeles, and the County Road District No. 5 share in the annexation area shall be reduced to zero.

3. For the fiscal year commencing in the year after the filing of the statement of boundary change for Annexation 2013-05 with the Board of Equalization pursuant to Government Code sections 54902 and 57204, and every fiscal year thereafter, the tax-sharing ratio received by the County Public Library attributable to Annexation 2013-05 shall be transferred to the County of Los Angeles, and the County Public Library share in the annexation area shall be reduced to zero.

4. For the fiscal year commencing in the year after the filing of the statement of boundary change for Annexation 2013-05 with the Board of Equalization pursuant to Government Code sections 54902 and 57204, and every fiscal year thereafter, Seventy-Seven Dollars (\$77) in base property tax revenue shall be transferred from the County of Los Angeles to the City of Covina.


5. For the fiscal year commencing after the filing of the statement of boundary change for Annexation 2013-05 with the Board of Equalization pursuant to Government Code sections 54902 and 57204, and every fiscal year thereafter, the following ratio of annual property tax increment attributable to each respective Tax Rate Area in the Annexation 2013-05 territory shall be transferred from the County of Los Angeles to the City of Covina as shown below and the County's share shall be reduced accordingly:

Tax Rate Area	Annual Tax Increment Ratio Transfer to the City
12033	0.112719426

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PASSED, APPROVED AND ADOPTED this 3rd day of September, 2013 by the following vote:

NONE


Mayor
City of Covina, California

City Clerk
City of Covina

(Signed in Counterpart)

The foregoing resolution was on the 8th day of October, 2013,
adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing
body of all other special assessment and taxing districts, agencies and authorities for which said
Board so acts.



SACHI A. HAMAI, Executive Officer
Clerk of the Board of Supervisors
of the County of Los Angeles

By Sachelle Smithman
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

BY Helen S. Parker
Deputy

/

(Signed in Counterpart)